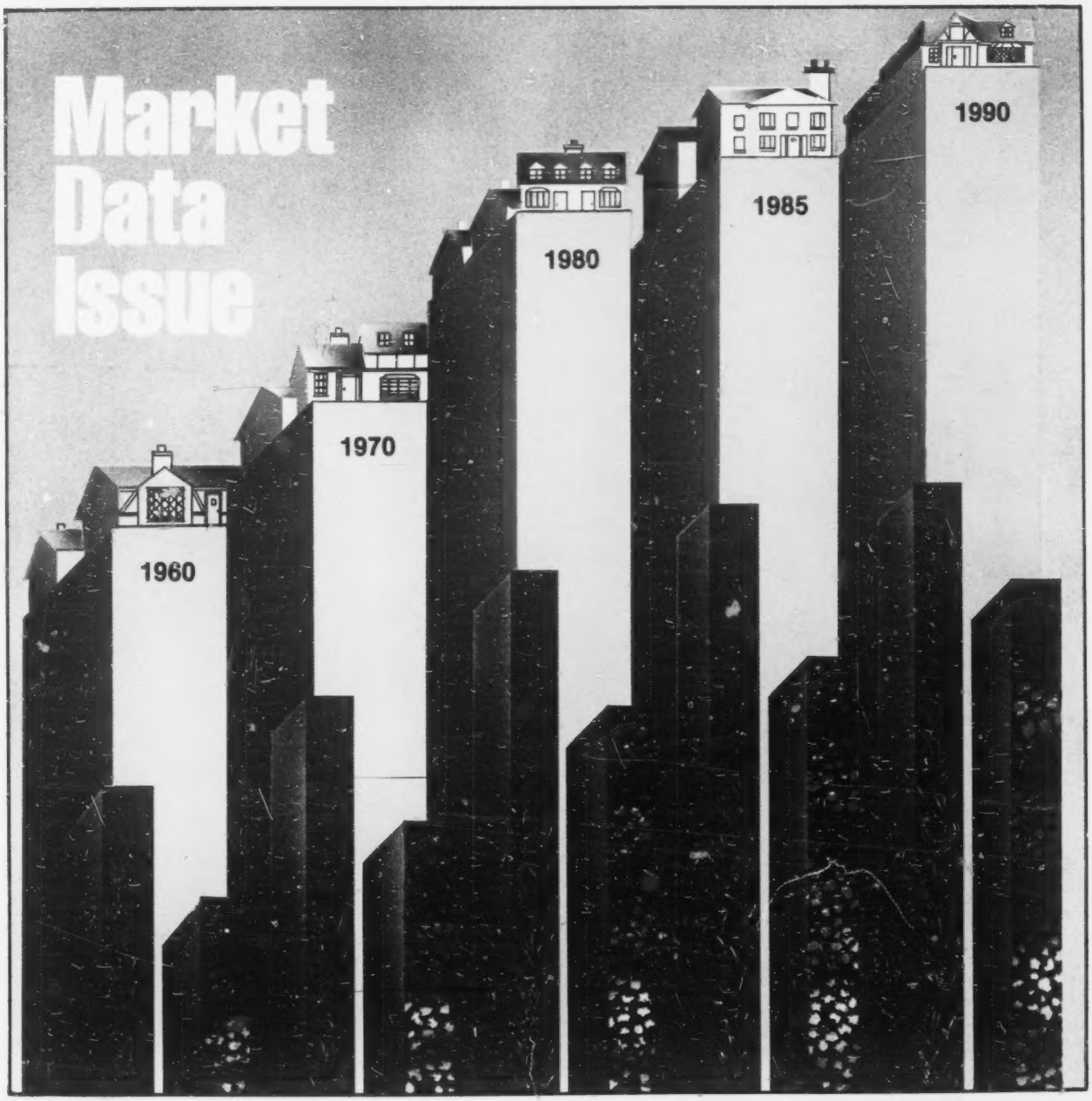
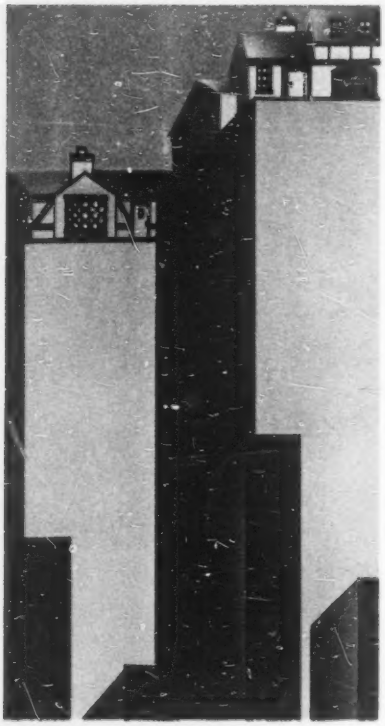
Lawn&Garden Marketing

NOV/DEC 1985

Reports on: '86 Calendar of events

ABCs of Saw Chain • Consumer profiles





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Cover illustration by Anita Blattner.

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Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

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Postmaster: Return form 3579 to Lawn & Garden Marketing, P.O. Box 12942, Overland Park, KS 66212-0930.

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1985 Market Update: lawn and garden trendline and outlook

Preliminary data from the 1985 Gallup study of lawn and garden activities show consumer interest remains strong. Trendline shows growth linked to increased numbers of households.

By Bruce Butterfield

■ U.S. household participation in lawn and garden activities stayed at a high level this year, according to results of the recently completed 1985 National Gardening Survey conducted by the Gallup Organization for the National Gardening Assn.

In total, 84 percent of all U.S. households or an estimated 74 million households participated in at least one form of indoor or outdoor lawn and garden activity during the past year. Of the 13 major lawn and garden market segments measured in 1985, eight stayed at about the same level seen in 1984, and five saw a small decline in the percentage of households participating.

Categories of lawn care, houseplants, vegetable gardening, landscaping, fruit trees, raising transplants, berries and ornamental gardening saw no statistically significant change in the percentage of U.S. households participating. Flower gardening, shrub care, tree care and insect control each saw a small decline in participation levels.

From 1980 to 1985 the overall percentage of U.S. households participating in lawn and garden activities has not changed significantly. The annual growth in the number of U.S. households during this time period has been more important to increasing the consumer base for lawn and garden sales than a change in the percentage of households participating. In 1980, there were 80 million households; in 1985, there were an estimated 87.9 million.

Other factors that have been good for the lawn and garden industry in the last few years include a stable and improving economy that has provided the disposable income needed to sustain profitable lawn and garden retail sales.

Interest in gardening has been maintained and increased through print and broadcast media supplying new gardening ideas, good examples and how-to information, along with advertising that is effective and well-positioned.

Merchandising and industry promotion programs that have been developed and implemented recently to help motivate consumers are

continued...

Trendline: U.S. household participation in lawn and garden activities.

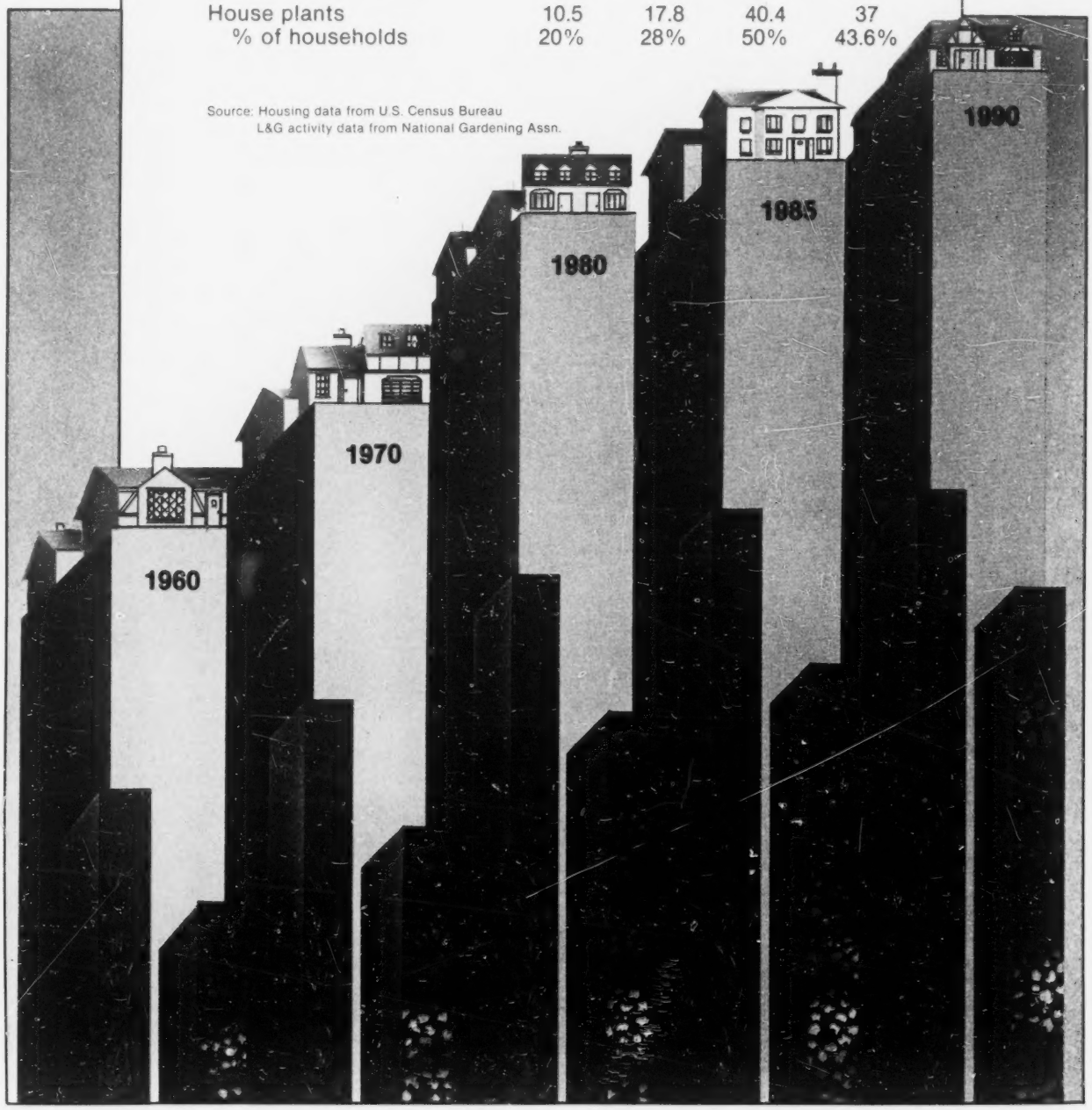
Consumer activity	1981		1982		1983		1984		1985		Average 1981-1985	
	%	million	%	million	%	million	%	million	%	million	%	million
Lawn care	65	52	63	52	63	53	63	54	64	56	64	53
Flower gardening	47	38	50	41	47	40	47	40	41	36	46	39
Indoor houseplants	51	41	48	40	43	36	46	39	42	37	46	39
Vegetable gardening	47	38	46	38	42	35	40	34	37	33	42	36
Shrub care	43	35	42	35	35	30	36	31	30	26	37	31
Insect control	na	na	39	32	32	27	38	32	27	24	34	29
Tree care	na	na	30	25	25	21	26	22	20	18	25	21
Landscaping	na	na	26	21	23	19	25	21	23	20	24	20
Fruit trees	19	15	22	18	20	17	18	15	17	15	19	16
Raising transplants	na	na	18	15	15	13	17	15	11	10	15	13
Growing berries	11	9	13	11	12	10	11	9	7	6	11	9
Ornamental gardening	7	6	10	8	7	6	9	8	7	6	8	7
Flower bulbs	na	na	na	na	25	21	27	23	19	17	24	20
Total	**84**	**68**	**86**	**71**	**82**	**69**	**83**	**71**	**84**	**74**	**84**	**71**

Source: National Gardening Assn./Gallup

25 years of industry growth

	1960	1970	1980	1985
U.S. households (millions)	52.6	63.4	80.8	86.8
Households in major L&G activities:				
Lawn care	28.9	36.1	48.5	56
% of households	55%	57%	60%	65%
Flower gardening	18.4	25.4	36.4	37
% of households	35%	40%	45%	41%
Vegetable gardening	18.4	24.7	34.7	33
% of households	35%	39%	43%	38%
House plants	10.5	17.8	40.4	37
% of households	20%	28%	50%	43.6%

Source: Housing data from U.S. Census Bureau
L&G activity data from National Gardening Assn.



starting to show results. And an increase in the number of retail outlets selling lawn and garden products has made existing and new products more easily available.

The lawn and garden industry should be optimistic about the future market potential for its products as a sizeable segment of the U.S. population, the "baby boom" generation, approaches middle age in the 1990s.

Marketing for baby boomers will be a featured topic in the January issue of **LGM.**

Gardening is an activity that typically appeals more to older, established households than younger ones. As the "baby boom" generation ages, it will become an even bigger consumer of lawn and garden products. Middle-aged and older consumers are currently a very significant segment of the U.S. population and should continue to be an important part of the lawn and garden picture for the next several years.

Lifestyles, values, interests

There are basically three categories of lawn and garden consumers. At one end of the market is the "Landscape Gardener." In the middle is the "Typical Home Gardener;" and at the other end is the "Just-Cut-The-Grass" gardener.

While these categories share many similarities, there are some important distinctions between the groups in terms of where they live, how much money they spend on lawn and garden activities, their lifestyles, values, gardening interests and gardening styles.

Landscape Gardeners

About one out of three lawn and garden households, or an estimated 23 million households, is in the Landscape Gardener category. Landscape Gardening households spend an average of more than $300 per household annually and account for about 50 percent of total retail consumer spending on lawn and garden activities.

Lawn and garden participation for households in this group is the highest in the country. The participation breakdown according to category is: lawn care, (80 percent); flower gardening (63 percent); indoor houseplants (60 percent); shrub care (59 percent); insect control (58 percent); landscaping (50 percent); tree care (50 percent); and vegetable gardening (40 percent).

Landscape Gardeners are most often found living in elite, up-scale, white collar suburbs or in exurban satellites and boom towns. They are educated, affluent, upper-middle and middle class families. They tend to be successful, confident, prosperous, decisive and enjoying the good life.

Many Landscape Gardeners are collectors of a variety of types of plants, demonstrate an artistic sensibility in their home landscaping, and are concerned with ecology, social issues, status and the outward appearance of their property.

Landscape Gardening households show an above average interest in garden design/planning, landscaping, growing and using herbs and perennials. A majority of Landscape Gardening households are also interested in soil preparation/improvement, basic garden care, small space gardening, weed control and planting instructions.

A typical Landscape Gardener's shopping list at the garden center includes items that provide color in the landscape, low-maintenance landscaping, unique/unusual/exotic plants, large-size bedding plants/trees/shrubs, wildflowers and native plants, herbs and specialty vegetables/fruits/berries, garden books and magazines, color bowls and container gardening, water conservative products and high quality tools/equipment/service.

Typical Home Gardeners

There are an estimated 37 million U.S. households in the Typical Home Gardener category, or about one out of every two lawn and garden consumers. A Typical Home Gardener spends about $200 annually on lawn and garden purchases and accounts for about 40 percent of total retail consumer spending on lawn and garden activities.

continued...

Sales of other lines add billions of dollars

The survey reported here shows the purchase of lawn and garden products in 1985 was an estimated $15 billion. Not included in the survey of consumers conducted for the National Gardening Assn. are some product categories which are part of the product mix for many retailers of lawn and garden merchandise.

Products for patio living, for example, are a fast-growing category. Although not handled by a majority of lawn and garden retailers, these products are very successful for some retailers. Industry estimates are that barbecue grills and accessories have a retail sales value of $1.2 billion; patio furniture and accessories have retail sales of $1.25 billion.

For the fall and winter seasons, trim-a-tree and birdfeed and feeders have become established parts of business for many lawn and garden retailers. Trim-a-tree is estimated to be an $800 million market and birdfeed and feeders more than $100 million. From the standpoint of the trade, these are part of the business, even though a consumer, when answering questions about lawn and garden, may not think in these terms.

For retailers of mowers, lawn tractors and tillers, there is also another group of products which are border-line when classifying them as lawn and garden but are a very important part of some retailers' sales pictures: chainsaws, logsplitters and snowthrowers.

Commercial and institutional accounts for lawn and landscaping maintenance equipment are also part of the total market picture and mean sales for some lawn and garden retailers, wholesalers and manufacturers but do not involve purchases by consumers.

A service which affects the entire conventional retail segment of the lawn and garden market—though few conventional retailers and suppliers offer it—is the application of fertilizers and chemicals on the consumer lawns. This lawn care industry, which has grown rapidly in the past five years, now services more than 6 million households.

The product and service is believed to be in excess of $2.5 billion, including residential and non-residential turf and maintenance as well as chemical applications.

The National Gardening Assn.

Bruce Butterfield, author of this article, is director of research for the National Gardening Assn.

Each year NGA publishes a survey conducted for it by the Gallup Organization to find out how much of the population is involved in lawn and garden activity, where, how and why.

The NGA is a member-supported, non-profit organization with headquarters in Burlington, Vt. Its 250,000 members receive the organization's monthly magazine, *National GARDENING*, which, in addition to providing basic gardening information, permits members to exchange ideas and inquiries through its pages.

The organization offers a Gardening Answering Service managed by staff horticulturists.

In addition to its magazine, NGA promotes gardening through technical assistance to all kinds of community gardens -- those for the aged, disabled, young, imprisoned and other – and publishes books of help to gardeners. The group has a field office in Cleveland, at the city's invitation, and works with community gardens. In October 1985, NGA sponsored a National Seed Conference held in St. Louis, Mo.

NGA's address is 180 Flynn Ave., Burlington, VT 05401.

The lawn and garden participation level for the Typical Home Gardener is close to the national average. Their participation according to category is: lawn care (65 percent); flower gardening (48 percent); indoor houseplants (47 percent); vegetable gardening (43 percent); insect control (39 percent); shrub care (34 percent); tree care (27 percent); and landscaping (24 percent).

The Typical Home Gardener is often a middle-class, empty-nest household living in an aging suburb or retirement area. The Typical Home Gardener category also includes mid-scale families or elders living in urban areas or mid-scale, child-raising blue collar families living in remote suburbs or towns. Also, many typical home gardeners are in rural towns and villages across agrarian mid-America or in middle class, mill and factory towns.

Most Typical Home Gardeners tend to be traditional, conforming, morally conservative, family-oriented, church-goers, patriotic, sentimental, preservers of the status quo, seeking to fit in and be part of the group.

Typical Home Gardeners live in detached, single-family homes and are high participants in gardening, DIY activities, baking, needlework, or TV watching. Many Typical Home Gardeners are careful shoppers, price-sensitive and bargain-conscious.

Gardening subjects of greatest interest to the Typical Home Gardener include weed control, soil preparation/improvement, planting instructions, basic garden care, pruning, insect identification/control, plant diseases and starting plants indoors.

A Typical Home Gardener's shopping list at the garden center includes such things as bedding plant specials, replacement parts, vegetable seed, fertilizers and insect controls, easy-to-use products, garden project ideas, watering equipment and indoor plant-starting supplies.

Just-Cut-The-Grass

The last category of lawn and garden consumers is nicknamed Just-Cut-The-Grass. There are an estimated 11 million households in this category or about 15 percent of all lawn and garden participants.

Just-Cut-the-Grass households spend an average of about $85 on lawn and garden activities each year. They account for an estimated 10 percent of total consumer retail spending on lawn and garden activities.

The participation level of Just-Cut-The-Grass households in lawn and garden activities is significantly lower than any other group. The participation breakdown according to category is: lawn care (48 percent); flower gardening (33 percent); indoor houseplants (31 percent); vegetable gardening (33 percent); insect control (17 percent); shrub care (15 percent); tree care (12 percent); and landscaping (10 percent).

Just-Cut-the-Grass gardeners tend to be limited in resources, so they are driven more by need than by choice. Values center around survival, safety, security and tradition. Many are older, poor, limited in education and under-employed. Out of necessity, they are cautious buyers, highly price-oriented and most likely to take advantage of major sales. Many Just-Cut-the-Grass gardeners can be found in aging urban communities and in lower-income towns and rural areas.

The lawn and garden shopping list for these households includes only the basics.

Where they shopped

In addition to gathering information on the lawn and garden participation of U.S. households in 1985 and profiles of lawn and garden consumers, the National Gardening Survey collected data on where lawn and garden products were purchased and what consumers bought.

Some 49 percent shop at a garden center or retail nursery, 32 percent at the mass merchandiser/discount store, 29 percent at the hardware store, 19 percent at the supermarket/drug store, 17 percent at the seed/feed store, 15 percent at the home center and 9 percent by mail-order.

When asked about the lawn and garden products they purchased in 1985, 63 percent bought fertilizer, 58 percent flower/vegetable/grass seed, 42 percent nursery products, 43 percent insect controls/chemicals, 39 percent indoor houseplants and supplies, 32 percent pots/plant containers, 27 percent garden tools, 25 percent soil amendments/mulch, 24 percent watering equipment, 14 percent lawn and garden power equipment, and 9 percent garden books. □

Tonnage of non-farm use fertilizer
(for year ending June 30, 1984)

State	Total fertilizer distributed	Non-farm specialty packaged	Percent of total
Alabama	899,254	21,132	2.35
Alaska*	9,212	200	2.17
Arizona*	291,496	29,295	10.05
Arkansas	882,693	4,520	0.51
California	4,126,504	208,347	5.05
Colorado	543,262	24,755	4.56
Delaware	88,168	1,238	1.40
Florida	1,984,556	170,264	8.58
Georgia	1,913,198	2,785	0.15
Illinois	4,193,039	46,396	1.11
Indiana	2,625,308	30,000	1.14
Kansas*	1,330,877	78,882	5.93
Kentucky	998,895	4,497	1.45
Louisiana	723,517	21,564	2.98
Maine	91,951	3,297	3.59
Massachusetts	48,171	6,350	13.18
Michigan	1,485,588	20,766	1.40
Minnesota	1,805,405	11,266	0.62
Mississippi	869,543	11,134	1.28
Missouri	1,568,742	11,742	0.75
Montana	464,735	1,768	0.38
Nebraska*	1,474,682	12,218	0.83
Nevada	29,829	12,322	41.31
New Jersey	230,646	68,023	29.49
New York*	604,992	72,599	12.00
North Carolina	1,742,674	13,893	0.80
North Dakota	551,078	5,511	1.00
Ohio	1,855,900	27,838	1.50
Oklahoma	796,235	15,249	1.92
Oregon	484,703	9,217	1.90
Pennsylvania	513,636	69,417	13.51
Rhode Island	23,663	12,767	53.95
South Carolina	701,822	24,563	3.50
South Dakota**	418,840	4,300	1.03
Tennessee	721,081	5,123	0.71
Texas*	2,394,591	110,830	4.63
Virginia	746,962	37,862	5.07
Washington	869,317	.....	.....
West Virginia	51,721	5,015	9.70
Wisconsin	1,519,359	32,925	2.17
Wyoming**	137,659	1,364	0.99

*Data from reports of year ending June 30, 1983
**Data from reports of year ending June 30, 1982

Connecticut, Hawaii, Idaho, Iowa, Maryland, New Hampshire, New Mexico, Utah and Vermont did not make reports of fertilizer distribution for fiscal 1982, 1983 or 1984.

Source: Association of American Plant Control Officials

Fertilizer usage estimated for 1984

■Looking at the distribution of fertilizer state by state is one barometer to help measure the sales activity of retailers serving the lawn and garden market. Like weathermen use the barometer to help forecast the weather, marketers looking at the fertilizer industry should use the shipment data gathered by the Association of American Plant Food Control Officials as a similar tool.

Each year, through the National Fertilizer Development Center, the AAPFCO gathers information from the fertilizer regulatory officials in each state. Although results indicate that the non-farm fertilizers are only about 3 percent of the total fertilizer distributed, the center estimates the percentage to be closer to 6-8 percent of the total.

Simply translated, this means more than 2.1 million tons of non-farm specialty packaged fertilizers were distributed in 1984.

Although a high percentage of this tonnage goes onto home lawns and gardens in one form or another, fertilizer industry officials are not prepared to say how much of the total is for lawn and garden purposes because non-farm fertilizers are also used on golf courses, sports fields, cemeteries and as de-icers on airport runways.

Furthermore, the center does not attempt to translate the tonnage figures into manufacturer dollars nor dollars at the retail level. (For one estimate, however, see chemical data, page 34.) And comparing the estimated tonnage distributed for this industry is further complicated by the fact that not all states respond to the association's request for information.

Since the percentages of the total do not greatly vary from year to year in each state, however, the percentages serve as one tool to measure the industry.

The latest figures available, released by the center for the year ended June 30, 1984, show Illinois and California as the biggest users of all fertilizers, with more than 4.1 million tons distributed in each state.

In the accompanying table, the figures reported by each state for the total tonnage of fertilizer distributed and the tonnage of non-farm, specialty, lawn and garden packaged fertilizer distributed are listed. Figures are for the year ended June 30, 1984, except where indicated.

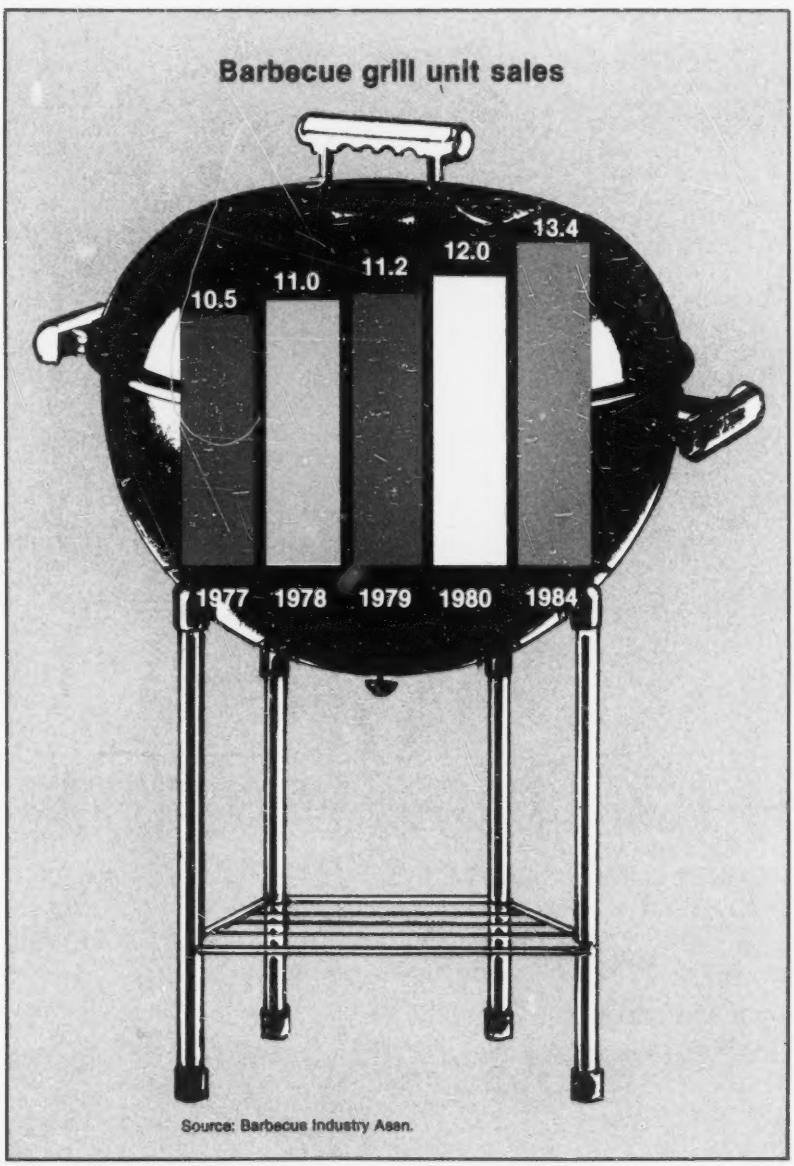
When information was not available for 1984, the reports from the years ended June 30, 1983, or June 30, 1982, have been included to give a general indication of the fertilizer use in those states. No figures are listed for any state for which there was no report in any of the three years. The national Fertilizer Development Center is part of the Tennessee Valley Authority, Muscle Shoals, Ala. □

BIA reports grill sales up

■The Barbecue Industry Assn. is projecting retail sales of barbecue grills will reach $570 million in 1985, another record year for the industry.

"We are predicting increased sales," said Arthur Seeds, president of the BIA. "The weather factor, consumer demand, discretionary dollars and demographics were all in our favor this year."

The BIA assembles grill data yearly from confidential reports submitted by U.S. grill manufacturers. Totals for the 1985 fiscal year, which ended Aug. 31, will be calculated by the association and made available after Dec. 1. Results will be printed in an upcoming issue of **LGM**.



The BIA is projecting retail sales of grills and accessories at $1.2 billion for 1985. This figure can be broken down to include retail sales of charcoal briquets at $418 million, barbecue grills at $570 million, lighter products at $143 million and tools and equipment at $31 million.

For more than three decades, the barbecue industry has recorded continuous, uninterrupted sales growth, with gas grills and accessories capturing large shares of the market recently. Some are saying, however, that 1985 sales figures will reflect a resurgence of interest in charcoal grills.

Estimated sales for charcoal, gas and electric grills reached an all-time record in 1984 of 13.3 million units, a unit increase of 300,000 grills from 1983.

The estimated 1984 unit dollar sales for manufacturers were $392.6 million, an increase of $28.9 million from 1983. All data is for fiscal periods ending Aug. 31. Dollar sales for those years represent values at the manufacturers level.

Estimated data is included for all non-reporting manufacturers who sold grills in 1983 and 1984. A total of 58 U.S. grill manufacturers were included in the 1984 data base. Figures do not reflect imports nor smaller units from small U.S. manufacturers.

According to the BIA, some 180 million people in 66 million U.S. households barbecue. The association calculates about 125 million grills are presently owned by U.S. barbecuing families—nearly two units per barbecuing household.

BIA forecasts for the next decade show a market for about 140 million grills and 16 billion pounds of charcoal.

The BIA is located at 710 East Ogden, Ste. 113, Naperville, IL 60540, (312) 369-2404 or (312) 369-2406. □

Patio industry sees continued growth

■The Summer and Casual Furniture Manufacturers Assn. (SCFMA) estimates that U.S. manufacturers shipped $782.5 million in casual furniture in 1984. Estimates are based on benchmarks supplied by the U.S. government in the 1982 Census of Manufactures and figured on a 27 percent increase across the board.

In the metal outdoor furniture category, manufacturers shipped in excess of $344.4 million of tubular aluminum, $103.0 million of wrought iron and $59.4 million of other metal and metal not specified.

In the category of wood furniture, including redwood and director's chairs, 1984 shipments were estimated at $126.8 million. In the category of reed, rattan and wicker, shipments were estimated at $110.8 million. And in plastic, PVC and resin, shipments were estimated at a value of $38.1 million.

Estimates are based solely on domestic shipments. Though imports are not included, they are substantial in some categories. According to Martin J. Reddan, director/management and information services for SCFMA, the association estimates that in 1984 "about $90 million of plastic, resin and PVC at manufacturers invoice (were shipped), if you count imported goods."

In all, the casual furniture industry is experiencing growth, which William Brown, second vice president of SCFMA, attributes to increased demand for housing, lowered interest rates, a stable economy, lower unemployment, increasing affluency and the quest for quality lifestyles.

Furthermore, according to a report in the industry publication of SCFMA, the National Home Builders Assn. has estimated that 90 percent of all new homes, both single- and multi-family, include at least one outdoor living area. The report indicates "the mushrooming of outdoor living space points to a vast growing market with accelerated consumer interest and demand for outdoor furnishings." □

Casual furniture
($ value of manufacturers shipments in millions)

Category	1982	1984
Metal outdoor furniture		
tubular aluminum	$271.4	$344.4
wrought iron	81.2	103.0
other metal	27.0	34.3
metal, not spec.	19.8	25.1
Wood outdoor furniture	99.9	126.8
Reed and rattan	87.3	110.8
Plastic, PVC & resin	30.0	38.1
Total	$616.6	$782.5

Source: Census of Manufactures and Summer and Casual Furniture Manufacturers Assn.

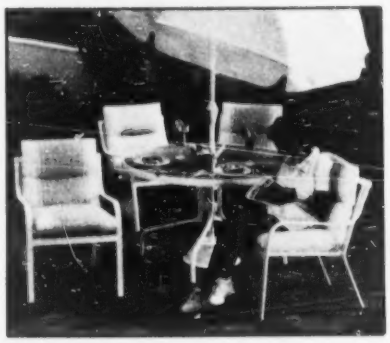


Photo courtesy of Omni Duralite

It shouldn't be the very last!

Can offering a vast range of brand names automatically spell disaster? Of course not! But we've been around the business long enough to know there's a fine line between having too much "show" in your showroom and having too little "go" in your stockroom.

Because without a well-planned mix of funding, credit lines can run O-U-T! Credit lines your inventory needs to keep up with all the brands, models and innovations that come along.

When it comes to ensuring enough funds among financing sources, the lines aren't so fine. From those who simply give you a cold-hearted number, to Borg-Warner Financial Services. With professionals who've helped build the industry, BWFS makes sure credit lines will accommodate new models, products, manufacturers' specials and even set credit lines for show versus regular orders. And, when buying from many manufacturers, we especially watch out for excessive creditors that can strangle borrowing power.

In short, we take the long view that floor planning can be a tool for planning ahead. To make financing pay off.

So rather than the last thing you think about, perhaps who finances your inventory should be the next thing you *do* something about. A call to 1-800-BWAC-USA will be a good beginning.

Borg-Warner Financial Services

Circle (18) on Reply Card

Wholesalers report chemical sales up

Major formulators change strategies, and distributors predict continued sales increases.

By Steve Trusty

■Distributors of wholesale lawn and garden chemicals are reporting substantial gains in 1985 over 1984 sales to retailers, and are projecting even better gains in 1986. This information was obtained from an **LGM** survey just completed.

Though 1985 saw an 18.8 percent change in median dollar sales to retailers, according to distributors 1986 should produce a positive 31.8 percent change over 1985, a 56.6 percent change over the two-year period.

Though many distributors indicated they will be dropping certain lines of chemicals in 1986, they still expect substantial sales gains. How do they plan to realize such gains?

Some distributors are dropping lines primarily to cut their SKUs. They feel that they can put more effort into fewer lines and be more profitable. Many distributors are also stocking the majority of the products in one or two lines and just selecting certain products from several other lines to satisfy demand in their local areas.

Wendell Butler of Wendell Butler Supply in Fort Lauderdale, Fla., explains, "No one national line can adapt itself to local needs." Butler and others say that the national firms gear their lines to what sells to the majority of the people across the country. There are many smaller regional companies that adapt their lines to the regional problems. Because they are smaller, they run products in smaller batches and can package products that may only fit a relatively small local market. The local problem may be very important to those experiencing it, but too small to be of interest to a major national company.

In the survey, distributors were asked to indicate which of the 14 chemical lines, private label line or other brand line they carried in 1984, in 1985 and planned to carry in 1986. Only two brands, Chacon and C&J Enforcer, increased in percentage of distributors planning to carry the lines in 1986.

Jeff Matera, vice president and general manager of Chacon, says that Chacon's increased promotional efforts are having a positive effect on its sales. He also says that Chacon is becoming more aggressive and providing better service. Matera feels that these factors are very important to future growth. Chacon was primarily marketed in California, but it is carefully expanding from that "local" market.

While some distributors will not be carrying Ortho because they own an equity interest in other brands, some distributors are dropping brands in favor of Ortho. A spokesman for Ortho says that less than 5 percent of their former distributors will not be carrying Ortho.

The majority of distributors

continued...

Sales to retailers

Billings	1984	1985	Projected 1986
Less than $1,000M	36.2%	31.9%	23.4%
$1,000M to $4,999M	42.6	42.5	40.4
$5,000M to $9,999M	8.5	8.5	17.0
$10,000M or more	8.5	12.8	12.8
Did not handle chemicals	2.1	--	--
Not given	2.1	4.3	6.4
Median annual sales =	$2,120M	$2,520M	$3,320M

% = Percent of respondents
Source. 1985 LGM Survey

talked to felt that Ortho's new contract was a wise decision. One distributor reasons that Ortho will benefit by selecting distributors who back their line and promote Ortho and by eliminating distributors who only used Ortho as a door-opener with intent to sell competing lines. "I feel the decision will give Ortho an even stronger position in the marketplace," he says. "We will promote, merchandise and definitely increase their business in our market with much more vigor than we have in the past."

Another distributor says he'll put "more emphasis on independent merchant sales with Fertilome, H-Yield and American, while dropping Ortho products."

Some distributors are concerned about one brand dominating their business. They feel as if they are "putting all their eggs in one basket." A major emphasis shift by that company could leave them out on a limb with no adequate backup. For this reason, many distributors are selling at least one line that is secondary to their major one.

Some of the concern over future direction of companies was probably fueled by some talk in the marketplace that Chevron Chemical Co. was evaluating the possible sales of non-core businesses in order to reduce medium-term debt that resulted from the acquisition of the Gulf Oil Co. In a letter on Sept. 26, Dan Hogan, vice president and general manager of the Ortho Consumer Products Division, informed distributors that the evaluation was complete. "It has been decided that Ortho Consumer Products will not be sold or divested," said Hogan. "It will continue to be a significant unit of the Chevron Chemical Co."

Curtis Clark of Esco, Ltd. in Corpus Christi, Texas, says that the distributor needs to do a better job of assisting his customers with merchandising. Other distributors also have stressed that the way to increase profitable business is not to cut prices but to increase services that will help the retailer sell more.

Clark says that it is important to help the retailer use co-op dollars to the optimum, and several distributors are providing circular programs for their dealers to help.

Kenco's acquisition strategies

A company that has made great strides the last two years in lawn and garden chemicals is Kenco Corp. Kenco started out as the Rid-A-Bug Co. In 1984, it purchased three other brands, Bag-A-Bug, Hot Shot and Spectracide. On Oct. 8, 1985, it purchased the No-Pest Strip brand from the Texize Division of Dow Chemical Co.

Tom Sapinski, senior vice president of sales and marketing for Kenco, says that one of the reasons for the acquisitions was to expand specific product lines both regionally and across distribution channels.

Rid-A-Bug was distributed primarily in the southeastern United States. The purchase of Bag-A-Bug in the Northeast expanded the Rid-A-Bug line to that area in the traditional lawn and garden outlets, as well as to the food stores.

The Hot Shot line was strictly a food store line in the Southeast and Southwest. Its acquisition opened the door for the other products. And Spectracide customers are now prime contacts for the Hot Shot and No-Pest lines.

Says Sapinski, "We now have the third largest consumer insecticide company in the country, behind Johnson's Raid and Chevron's Ortho." And other acquisitions are planned, according to Sapinski.

Sapinski believes there are definite advantages to distributors and retailers who can buy several brands from one source. The 1986 Kenco advertising budget of $6-8 million is going to create a demand for the various brands, says Sapinski. A distributor or retailer can have the product on hand for the consumer who needs it, without having to buy large quantities of one item in order to buy economically.

Even though some of the product lines have been sold direct to some large accounts, Sapinski believes that the regular channels of distribution in the lawn and garden industry are very important to them. "This is true not only for our present plans but for the future," he says.

Sapinski says a lawn and garden retailer can offer customers a product that has traditionally been sold only in grocery stores. The advertising Kenco or Raid or other companies plan, he says, "is for the consumer and is designed to get them to buy a brand. If the customers are in the garden center and see a recognized product, they'll pick it up. If it isn't there, they may not think about it until they are in the grocery store."

1986 outlook

Overall, lawn and garden chemical sales are expected to increase in 1986, according to the survey. Whereas in 1984 only 17 percent of the responding retailers indicated they billed retailers for more than $5 million in lawn and garden chemical sales, 21 percent indicated the same in 1985. And some 30 percent are expecting more than $5 million in billings in 1986.

Still, there are some mixed attitudes among distributors. In talking to individual distributors there are many variables to take into consideration. One comments, "Consumers seem to be more and more reluctant to use chemicals. With distributors competing in a shrinking market, profits are being squeezed."

David Phillips, secretary-treasurer of Simmons & Mount, Cranbury, N.J., believes that sales in their area will increase substantially because they are in a growing market. The area is expanding rapidly, new houses are being built, more people are moving in, and more chemicals will be used. In the Midwest agricultural areas that have been hard hit, sales will probably be reduced.

Another factor to consider is the cost and time it takes to label a new product. It will be easier for a company to grow by acquisition because new products are too costly.

The big companies are going to get bigger. Some of the smaller companies are going to be acquired. The distributor and retailer are going to have to be better attuned to what the consumer wants and do a better job of supplying it to stay profitable in the year ahead. □

Snowthrowers up and down

Photo courtesy of John Deere

■What is the outlook for snowthrower sales in 1986 and beyond? It's a market that is as predictable—or as unpredictable—as the weather. The snowthrower market is one that is more dependent on heavy snowfall than on any other factor.

The Outdoor Power Equipment Institute reported that shipments in 1984 were at the 348,000-unit level, a considerable increase over shipments of 264,000 units in 1983.

The FOB factory shipment value of the years 1983 and 1984 was $91 million and $122 million respectively. The high points and the low point for snowthrowers in the past 10 years were 1979 and 1980 for high points, 1982 for a low point. There were 1.1 million units shipped in 1979 and 1.6 million in 1980, with FOB values of $250 million and $397 million.

Snowthrowers
(12-year shipments)

Model year	Unit shipments	$ values (millions)
1974	227,253	$ 32.3
1975	156,800	34.8
1976	165,434	36.8
1977	267,950	60.0
1978	416,000	94.3
1979	1,118,000	250.0
1980	1,577,000	397.0
1981	344,700	98.0
1982	95,000	27.0
1983	264,000	91.0
1984	348,000	122.0
1985	421,000	144.0

Source: Outdoor Power Equipment Institute.
(Model year is March 1 thru February.)

The low point in the 10-year period was the 1982 model year when only 95,000 snowthrowers were shipped with an FOB value of $27 million. But 1982 was the only model year since 1961 that shipments of snowthrowers had dipped below the 100,000-unit level; shipments totalled 173,000 units in 1962, the first year that they exceeded the 100,000-unit level.

In 16 of the years 1962-1984, shipments exceeded 200,000 units, and in two of those years, they were over the 1-million-unit mark. The model year for snowthrowers is March 1 through the end of February. The model year for all other products of the OPEI members is Sept. 1 through Aug. 31. □

Tiller shipments continue decline

■The only lawn and garden product category which has consistently experienced declines in shipments is walk-behind tillers.

Tiller shipments enjoyed a gradual increase from 1962, when there were 317,264 units shipped, until 1972, when the numbers sharply increased each year, until 1975, when they reached the 1.2 million-unit mark.

Then tiller shipments began gradually declining; down to 667,000 units in 1980, 408,000 units in 1983 and 399,000 units in 1984.

The dollar value, however, has not fallen proportionately. The increase in the number of higher-priced, rear-tine tillers boosted the 1984 FOB value of the tillers to $197 million, compared to $132 million in 1983 although fewer units were shipped in 1984.

Rotary tillers
(12-year shipments)

Model year	Unit shipments	$ values (millions)
1974	845,000	$111.0
1975	1,200,000	205.2
1976	780,000	135.8
1977	633,000	109.7
1978	571,000	116.2
1979	571,300	125.0
1980	667,000	159.0
1981	501,000	138.0
1982	497,000	143.0
1983	408,000	132.0
1984	399,000	197.0
1985	392,000	*

*Not available
Source: Outdoor Power Equipment Institute

The tiller market growth of the 1970s was linked to public alarm over increased costs of food at the supermarket, which in turn was linked to increased energy costs.

However, growth in the number of gardeners tapered off, and even turned downward, as the energy crisis leveled off and prices of food stopped climbing; many would-be gardeners found the discipline of gardening too demanding or found that actual savings from raising their own produce was minimal.

Surveys by the National Gardening Assn., meanwhile, have shown that the average income of vegetable gardeners is higher than it was 10 to 15 years ago, and a new generation of gardeners grow their own produce to ensure fresh, healthy vegetables rather than as a way to save on grocery bills. □

SELLING IMPORTS

New data from a 1985 *LGM* survey shows imported tools and power equipment are penetrating the U.S. market. By Wendall J. Burns

■Some imported lawn and garden products are included in the inventory of 56 percent of the retailers serving this industry.

Imports are important to a significant segment of the power equipment specialty retailers. More often than not, quality, rather than price, is the major factor in their decision to sell imports. For multi-department stores and hardware/home centers, however, price is more often than not the major factor in their decision to sell imports of garden tools and watering products.

These are some of the findings in a survey just completed by **LGM**. The data relates to the sale of whole goods and does not include imported engines or other components or materials for manufacturing the merchandise. Nor does it reflect the products manufactured overseas but branded with the name of a U.S. manufacturer.

The accompanying table shows the relative importance of five product categories to four classes of retailers handling lawn and garden merchandise.

Eighteen percent of the power equipment specialty retailers handle imported walk-behind mowers. The data shows that for them, imports are 52 percent of the walk-behinds they sell. Imported spin trimmers are also much more significant for the OPE specialty dealers than for multi-department stores or hardware/home centers.

Imported spin trimmers are handled by 89 percent of these independent OPE dealers, and the data shows that their inventory of spin trimmers is almost all imported. Quality is the factor cited much more often than price, according to the information from retailers of imported spin trimmers.

The imports are not a big part of the garden centers' inventory—only 15 percent of them sell imported sprinklers and accessories, for example; and only 23 percent sell other imported garden tools.

The accompanying table shows that the percentage of the volume of the watering products and tools is relatively low in all categories of retailers. Other sources have reported an increased volume of imported tools in recent years, especially at mass-merchandisers and hardware/home centers. Often, it is said, these retailers are seeking sources of low-price, short-handled tools. But looking at the other end of the quality spectrum, some retailers import uniquely designed, quality items made of stainless steel or other durable materials to offer their customers some top-of-the-line tools or watering products.

For many of the retailers responding to the survey, the topic of selling imports is an emotional issue as well as an economic one. They would prefer to be selling American-made products, but pressure from competitors who offer the same product, or a better product at a lower price, causes them to search the world for products they can sell at a profit and with confidence.

Those who are handling imports, for the most part, believe that importing will be a long-term phenomenon. But those who sell only domestic merchandise often do not agree, and by their comments, there is no indication they will jump on the import bandwagon. □

Look for: "Exports/imports: a closer look" in the January 1986 issue for more information and insights gathered from an **LGM** survey and other sources.

Imported products

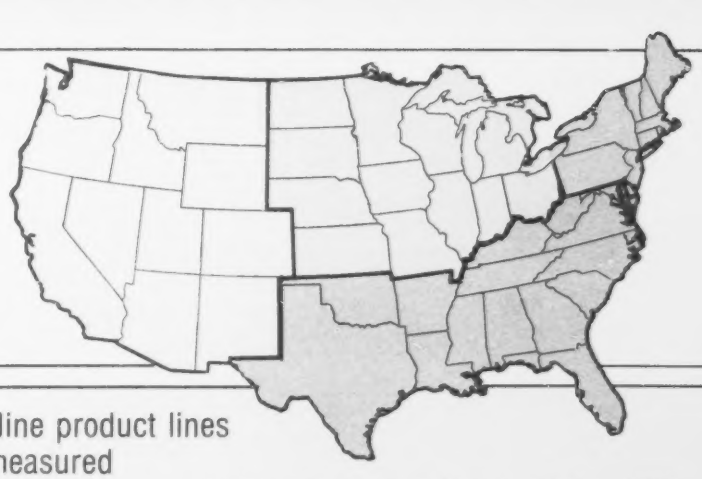
(% of respondents selling)

Product Categories	Total L&G Retailers	Multi-Dept. Stores	Garden Centers	Hdw./Home Centers	Power Equip. Dealers
Spin trimmers	29.9%	17.1%	8.8%	8.1%	58.3%
% of inventory	98.8	*	91.7	100.0	100.0
Chainsaws	29.6	12.2	9.4	8.8	57.4
% of inventory	85.0	*	92.5	100.0	81.7
Rakes, hoes	15.7	34.1	20.1	26.5	3.7
% of inventory	24.0	55.7	22.5	20.4	*
Walk-behind mowers	9.2	2.4	4.4	1.5	17.8
% of inventory	52.5	*	*	*	51.7
Sprinklers & accessories	8.7	17.1	14.5	11.8	2.1
% of inventory	26.3	*	26.3	20.0	*

*Percent statistically insignificant

Source: LGM summer 1985 survey

Product Movement Report
summer 1985



■Although all nine product categories showed higher sales during summer 1985, the sales growth for replacement parts, walk-behind mowers and riding mowers and lawn tractors seems to have slowed, according to a survey conducted by **LGM.** The data covers the 1985 summer season.

More retailers showed increased sales in these three categories than showed decreased sales, but the percentage reporting increases was considerably down from a year ago.

About 40 percent of the retailers responding indicated sales of replacement parts were up. During 1984, 69 percent of retailers indicated increased sales of replacement parts.

The percentage of retailers reporting increased sales of walk-behind mowers in each year was similar with 32 percent reporting better sales in 1985 and 39 percent showing increased sales in 1984. In 1985, 15 percent of retailers said sales decreased. The Northeast showed the strongest sales increase.

For riding mowers and lawn tractors, 26 percent of retailers reported increased sales, and 12 percent said sales decreased. In 1984; 39 percent of retailers said sales increased.

Retailers also reported more increases than decreases in sales in the other six categories, although the percentages did tend to be lower than a year ago.

About 20 percent of retailers reported sales of garden tools inceased, while 7 percent said sales decreased.

The percentage of retailers who indicated increased sales of watering equipment in the Northeast, North Central and South was slightly lower than the 19 percent reported nationally. Almost 10 percent of retailers, nationally, said sales decreased.

About 16 percent of all retailers of rodenticides said sales increased. Less than 4 percent said sales decreased. This is the first year that rodenticide sales were included in the Product Movement survey.

More than 20 percent of retailers said herbicide sales were up, and 6 percent said sales were down.

More than 33 percent of retailers in the Northeast said insecticide sales were up, while nationally 27 percent of retailers indicated increased insecticide sales. Almost 5 percent of all retailers said sales decreased, and in the Northeast only 2 percent said sales were lower.

The percentage of retailers reporting increased sales of spin trimmers was, in all regions, close to the national figure of 33 percent.

Retailers appear to be making strides in reducing end-of-season inventories of walk-behind mowers. In 1985, retailers reported a median of 11 units per store compared with 17 units in 1984. Except in the West, each region showed median current inventories for 1985 of 10 units. □

Nine product lines measured

		TOTAL %	NORTHEAST %	N. CENTRAL %	SOUTH %	WEST %
Garden tools	Up	20.4	23.3	16.5	18.2	31.2 ↑
	Same	38.2	23.1	36.0	44.7	37.6
	Down	6.8	3.1	7.1	8.8	7.8
Watering equipment	Up	19.2	17.8	17.8	18.9	27.3 ↑
	Same	25.1	18.6	26.7	25.1	31.1
	Down	9.5	13.2	7.5	12.6	2.6
Rodenticides	Up	16.1	17.8	16.0	14.5	16.9 ↑
	Same	27.5	20.9	28.6	31.4	27.3
	Down	3.5	1.6	5.2	2.5	3.9
Herbicides	Up	20.1	22.5	18.3	19.2	24.7 ↑
	Same	25.8	26.2	23.5	27.0	28.5
	Down	5.8	4.0	8.0	5.7	3.9
Insecticides	Up	27.0	33.3	24.9	25.2	26.0 ↑
	Same	24.6	21.8	21.6	27.7	31.1
	Down	4.7	2.3	6.6	5.0	2.6
Walk-behind mowers	Up	31.9	37.2	28.1	33.3	29.9 ↑
	Same	24.7	21.7	26.3	25.2	24.6
	Down	14.9	10.1	22.1	9.4	14.3
Riding mowers/ lawn tractors	Up	26.1	37.2	19.7	27.6	22.1 ↑
	Same	15.2	10.9	18.3	15.7	13.0
	Down	12.3	9.3	16.9	7.6	14.3
Spin trimmers	Up	32.9	33.3	30.5	36.4	31.2 ↑
	Same	25.9	26.4	26.3	22.6	29.8
	Down	13.0	12.4	18.3	8.9	7.8
Replacement parts	Up	39.8	43.4	37.6	41.6	36.4 ↑
	Same	28.9	27.9	30.5	24.5	35.1
	Down	3.8	2.3	6.1	3.1	1.3
Current inventory of walk-behind mowers (median no. of units per store)		11	10	10	10	14

Because of multiple responses, percentages do not add up to 100%

Nine product lines sold through four key classes of retailers were measured by **LGM** for this survey.